Import of Edible Oil

5211. SHRI CM. IBRAHIM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the amount of import of edible oil during 1997-98, 1998-99 and 1999-2000 under open general licence scheme;

(b) the requirement of the country and indigenous production thereof during these years; and

(c) whether free imports of edible oil has created an alarming situation in the country to the detriment of the farmers?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) Import of edible oil.during 1997-98, 1998-99 and 1999-2000 (upto Feb.) was as follows:—

(In lakh MT)

Year (April-March)	Import
1997-1998	12.66
1998-1999	26.22
1999-2000(upto Feb.)	29.30

(Source: DGCI & S,Calcutta)

(b) Data on Domestic production and requirement of edible oil is compiled on oil-year basis i.e. November to October. The relevant figures for the last three years are as fallows:—

(In lakh MT)

Year . (Nov—Oct)	' Net Availability of Edible Oils from Domestic sources	Consumption/ Requirement
1997-1998	62.00.	82.83
1998-1999	72.60	116.53
1999-2000 (Till March)	. 64.78	80.47

(Source: Ministry of Consumer Affairs & Public Distribution)

(c) It would be seen from the information given in part (b) above that there is a gap between demand and availability of edible oil from domestic

sources. In order to ensure availability of edible oil at reasonable prices to the consumers, edible oil has been made freely importable. However, for providing adequate protection to the domestic oilseed producers, import duty on edible oil has recently been rationalised. Besides, the government also provides protection to the farmers through the mechanism of guaranteed purchase at minimum support prices. Thus, the present import policy is in the interest of consumers, farmers and producers.

Withdrawal of Income Tax Exemption on Earnings of Handicrafts

5212. SHRI C. M. IBRAHIM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have received representations from the Export Promotion Council for Handicrafts against the proposed phasing out of withdrawal of income-tax exemption on export earnings of handicrafts;

(b) if so, the main reasons and grounds adduced by the Council and the demands made by them;

(c) how far the Handicraft Industry comprises of small thing and cottage/ village industry;

(d) the latest estimate about the employment generated by Handicraft Industry in rural and urban areas; and

(e) the Government's reaction on their demands?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) The main reason given by the Council is that phasing out of the Income-Tax exemption available to exporters of handicrafts under Section 80HHC of the Income-Tax Act over the next 5 years will adversely affect the exporting community in general and small exporters of handicrafts in particular as it will lead to increase in production cost and make Indian handicrafts uncompetitive in the international market.

The Council has requested that the Government should restore the provision of 100% exemption on export income for handicrafts exporters under Section 80HHC of the Income-Tax Act.

(c) and (d) The handicrafts industry in highly decentralised, labour intensive and cottage based. As per census conducted by NCAER in the